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BPI raises ₱21.5 billion from pioneering CARE Bonds

MAKATI CITY, Philippines – Bank of the Philippine Islands (“**BPI**” or the “Bank”) has exceeded initial targets for its pioneering COVID Action Response Bonds (“**CARE Bonds**”), as subscriptions for the offering reached ₱21.5 billion, more than seven (7) times the initial planned issue size of ₱3 billion, triggering an expedited offer period closing for **the country’s first COVID response bonds**.

The CARE Bonds, which have been issued and listed today at the Philippine Dealing & Exchange Corp., have a tenor of 1.75 years and an interest rate of 3.05% p.a., paid quarterly in arrear.

Proceeds of the CARE Bonds will be used by the Bank to finance and refinance eligible Micro, Small and Medium Enterprises (“**MSMEs**”), one of the sectors hardest hit by COVID-19, under BPI’s Sustainable Funding Framework.

“We issued the CARE Bonds to address the financing needs of MSMEs, as they work to overcome the challenges brought about by COVID-19. The amount raised adds to our capability to provide financing to this very important segment of the economy,” said BPI President and CEO Cezar P. Consing.

The overwhelming reception of investors to the CARE Bonds highlights the potential of the social bond market, which the Securities and Exchange Commission (“**SEC**”) has put forward as a funding source for projects to address the devastating impact of the global health crisis. Last month, the SEC encouraged issuers to explore the social bond market to help the country recover from the pandemic, and confirmed that the BPI CARE Bonds qualify as Social Bonds under the ASEAN Social Bonds Standards.

BPI Capital Corporation (“**BPI Capital**”), and The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) are the Joint Lead Arrangers of the CARE Bonds. BPI Capital is Sole Selling Agent, while HSBC is Participating Selling Agent.

ABOUT BPI

The 169-year-old Bank of the Philippine Islands is the first bank in the Philippines and Southeast Asia. We are licensed as a universal bank by the Bangko Sentral ng Pilipinas to provide a diverse range of financial services: deposit taking and cash management, payments, lending and leasing, asset management, bancassurance, investment banking, securities brokerage, and foreign exchange and capital markets. BPI has significant financial strength, with robust Tier 1 capital adequacy ratios and profitability, underpinned by a stringent compliance and risk management regimes. BPI has investment-grade ratings of BBB+ (S&P), Baa2 (Moody's), and BBB (Capital Intelligence), and BBB- (Fitch).

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